

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED AMENDMENTS TO	)	ADMINISTRATIVE
REGULATION 807 KAR 5:067	)	CASE NO. 302
& 5:068	)	

O R D E R

The Commission, on its own motion, finds that:

1. The proposed revisions, as shown in attached Appendix A, to the Purchased Water Adjustment clause were submitted, pursuant to KAR 1:010, to the Legislative Research Commission on May 15, 1986, and that a public hearing has been scheduled for June 25, 1986, beginning at 9:00 a.m., Eastern Daylight Time, in the Commission's offices at Frankfort, Kentucky;

2. The purpose of the hearing will be to consider testimony and public comments on the proposed revisions, and that an affirmative consideration statement will be submitted to the Legislative Research Commission pursuant to KAR 1:010 if a hearing is held.

3. Notice of the proposed revisions and hearing will be published in the June Kentucky Administrative Register. Anyone desiring to be heard at the hearing shall notify the Office of the Secretary in writing not less than 5 days in advance of June 25, 1986. The Commission reserves the right to cancel this hearing if no timely requests to be heard are filed.

IT IS THEREFORE ORDERED that a hearing be and it hereby is scheduled for June 25, 1986, beginning at 9:00 a.m., Eastern Daylight Time, in the Commission's offices at Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 12th day of June, 1986.

PUBLIC SERVICE COMMISSION

  
for the Commission

ATTEST:

\_\_\_\_\_  
Secretary

# APPENDIX "A"

ADMINISTRATIVE REGISTER - 1895

Tiering:  
was tiering applied? No. This regulation concerns eligible disabled population of the Commonwealth. Tiering is not applicable when regulations pertain to individuals.

## EDUCATION AND HUMANITIES CABINET Department of Education Office of Vocational Rehabilitation (Proposed Amendment)

706 KAR 1:020. Independent living plan.

RELATES TO: KRS 156.010, 156.035, 163.140, 163.160  
PURSUANT TO: KRS 156.035, 156.070, 163.140  
NECESSITY AND FUNCTION: Title VII, Part A, P.L. 93-112, as amended, requires the submission of a Three (3) Year State Plan for Independent Living Rehabilitation Services, to the Secretary, Department of Education. The plan must be approved in order for a state to be eligible for grants from the allotment of funds under Title VII, Part A, of the Rehabilitation Act of 1973, P.L. 93-112, as amended by P. L. 93-516, P. L. 95-602 and P. L. 98-221. This regulation adopts such a plan, and thereby implements statutory responsibility of the Department of Education and the State Board of Education under KRS 156.010, 156.035, 163.140, and 163.160.

Section 1. Pursuant to the authority vested in the Kentucky State Board of Education by KRS 156.035 and 163.140, the Kentucky State Plan for Independent Living Rehabilitation Services for the period October 1, 1984 through September 30, 1987 is presented herewith for filing with the Legislative Research Commission, and incorporated by reference, as revised May 7, 1986 [amended July 2, 1985]. This plan describes how federal funds will be utilized to provide services for independent living to individuals with disabilities so severe that they presently do not have potential for employment, and a copy of said plan can be obtained from the Office of Vocational Rehabilitation, Department of Education.

ALICE McDONALD, Superintendent

APPROVED BY AGENCY: May 7, 1986

FILED WITH LRC: May 14, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled on June 24, 1986, at 10 a.m., EDT, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, to review the regulations adopted by the State Board of Education at its May meeting. Those persons wishing to attend and testify shall contact in writing: Laurel True, Secretary, State Board of Education, First Floor, Capital Plaza Tower, Frankfort, Kentucky 40601, on or before June 19, 1986. If no requests to testify have been received by that date, the above regulation will be removed from agenda.

### REGULATORY IMPACT ANALYSIS

Agency Contact Person: Kathy Williams

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to be affected: Regulations pertain to independent living rehabilitation services provided to Kentuckians with severe

disabilities. At this time, we cannot estimate the number of persons who will be served.

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: No additional reporting or paperwork requirements.

(2) Effects on the promulgating administrative body: Monies for this program are based on 90/10 match with the United States Department of Education, Rehabilitation Services Administration.

(a) Direct and indirect costs or savings:

1. First year: None

2. Continuing costs or savings: Cost at 10% state match for total grant award is estimated at \$19,333 - actual not known due to Gramm-Rudman.

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: Establishment of independent living system will require paperwork documentation.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: No alternatives possible per KRS Chapter 13A.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: None identified.

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: Not applicable.

(6) Any additional information or comments: Not applicable.

Tiering:

Was tiering applied? No. This regulation concerns independent living rehabilitation services to Kentuckians with severe disabilities. Tiering is not applicable when regulations pertain to individuals.

## PUBLIC PROTECTION AND REGULATION CABINET Public Service Commission (Proposed Amendment)

807 KAR 5:067. Purchased water adjustment for privately-owned utilities [clause].

RELATES TO: KRS Chapter 278

PURSUANT TO: KRS 278.030(1), 278.040(3)

NECESSITY AND FUNCTION: KRS 278.030(1) provides that all rates charged [received] by a water utility subject to the jurisdiction of the Public Service Commission shall be fair, just and reasonable. This regulation prescribes the requirements under which a privately-owned water utility may implement a purchased water adjustment [clause] designed to recover the actual [increased] costs of water purchased, where the water utility is not financially able to absorb an increase from its supplier].

Section 1. Water Utility Base Rate. The supplier's rate in effect immediately prior to the most recent increase shall be considered the base rate.

Section 2. [1.] Application for Change in Base

Rate. [The rates a water utility is currently authorized to charge its customers are based upon the wholesale cost of water to that water utility pursuant to valid contracts or wholesale tariffs on file with the commission.] (1) For purposes of a purchased water adjustment (clause), the supplier's (this wholesale) rate as defined in Section 1 of this regulation shall be considered as the base rate for purchased water and any increase or decrease in the base rate shall be considered the changed rate.

(2) [(1)] In the event there is an increase (a change) in the supplier's base rate, and the utility determines that it is necessary to adjust its rates so as to pass the increase on to its customers, the utility shall file with the commission the original and eight (8) copies of a completed application for purchased water adjustment in the form set forth in Section 6 of this regulation. All exhibits designated therein must be filed with the application and shall be considered a part of the application. [the following information:]

[(a) A copy of the wholesale supplier's tariff effecting a change in the base rate and a statement from the wholesale supplier's evidencing the effective date of the changed rate;]

[(b) A detailed statement of water purchased under the base rate for a twelve (12) month period ended within ninety (90) days of the filing date and showing billing both under such base rate and also under the changed rate;]

[(c) A detailed statement of water sold for the same twelve (12) month period.]

[(d) A balance sheet and statement of operating expenses and revenues for the most recent twelve (12) month period for which that information is available;]

[(e) In the event of an increase only, evidence that the water utility has notified its customers of the proposed rate revision;]

[(f) Revised tariff sheets reflecting the rates the applicant proposes to charge; and]

[(g) Such other information as the commission may request for a proper determination of the purchased water adjustment.]

[(2) The commission may require that the balance sheet and statement of expenses and revenues furnished pursuant to subsection (1)(d) of this section be updated to within ninety (90) days of the filing of an application and that the updated information corresponds to the same twelve (12) month period as the water purchased information furnished pursuant to subsection (1)(b) of this section.]

[(3) Upon receipt of all the necessary information, the commission will review the effect of the changed rate upon the applicant's operations and if an increase is proposed determine whether all or a part of the increase can be absorbed by the applicant. An applicant shall not implement its proposed revised rates until the commission issues an order authorizing the applicant to adjust its rates. If an adjustment is authorized, the supplier's changed rate shall become the supplier's base rate for use in future applications.]

[(3) [(4)] An applicant shall not implement its proposed rates until the commission issues an order authorizing the applicant to adjust its rates. The maximum amount of the adjustment so ordered shall not produce revenue adjustments greater than the difference between the purchased water billed at the base rate and the

purchased water billed at the changed rate. Where the applicant's unaccounted for water loss is determined to be greater than either fifteen (15) percent or the percent expressly allowed in the applicant's last rate case, water purchases as defined in subsection (1)(b) of this section shall be adjusted to allow only the unaccounted-for water loss found reasonable.

[(4) [(5)] In the event of an increase only, the applicant shall notify its customers of the proposed rate increase. The notice [required by subsection (1)(e) of this section] may be accomplished by a bill insert or by publication once a week for three (3) consecutive weeks in a newspaper of general circulation. Such notice shall set out the rates proposed to be charged by the applicant to its customers and shall contain the following language: "The rates contained in this notice are the rates proposed by (name of utility). However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice."

Section 3. [2.] Calculation of the Purchased Water Adjustment. If a change is made in a base rate charged to a water utility by its supplier(s), the unit charges of the utility's (wholesale) tariff shall be increased or decreased by a purchased water adjustment calculated as follows:

(1) Water purchases shall be computed at the supplier's base rate and the supplier's changed rate using a period of twelve (12) calendar months ending within ninety (90) days of the filing date of the application [preceding the month of the effective date of the supplier's rate change]. The difference between these amounts shows the total change in the applicant's purchased water costs.

(2) The total change in purchased water costs shall be divided by the actual number of cubic feet or gallons sold, yielding the purchased water adjustment expressed in cents per cubic foot or gallons, unless the applicant's unaccounted-for water loss exceeds either fifteen (15) percent or the percent allowed in the applicant's last rate case.

(3) In instances where the water loss exceeds fifteen (15) percent and no reasonable percentage has been determined in its last rate case, the actual water sales shall be divided by eighty-five (85) percent yielding the maximum allowable water purchases. Where a reasonable percentage of unaccounted-for water loss was expressly determined in the applicant's last rate case, the actual water sales shall be divided by (100 percent minus the percentage found reasonable) yielding the maximum allowable water purchases. The maximum allowable water purchases shall then be multiplied by the supplier's base rate and the changed rate. The difference between these amounts will be [change in cost per cubic foot or gallons, yielding] the total allowable change in the applicant's purchased water costs. The total allowable change shall then be divided by the actual number of cubic feet or gallons sold, yielding the purchased water adjustment expressed in cents per cubic foot or gallons.

Section 4. [3.] Procedure for Distribution of Refunds from Suppliers. In the event a water utility receives a refund from its supplier for

amounts previously paid, the water utility shall immediately apply to the commission for authority to make adjustments on the amounts charged customers' bills under this regulation as follows:

(1) The total refund received by the water utility shall be divided by the number of cubic feet or gallons of water the water utility estimates it will sell to its customers during the two (2) month period beginning with the first day of the month following receipt of the refund, yielding the refund factor to be applied against each cubic foot or gallon of water sold thereafter.

(2) Effective with meter readings taken on and after the first day of the second month following receipt of the refund, the water utility will reduce by the refund factor any purchased water adjustment that would otherwise be applicable during the period. The period of reduced purchased water adjustment shall be adjusted, if necessary, in order to most nearly approximate the total amount to be refunded. The water utility shall make full distribution of the refund within two (2) months.

(3) In the event a water utility receives a large or unusual refund, the water utility may apply to the commission for a deviation from the procedure for distribution of refunds specified herein.

[Section 4. Water Utility Tariffs. Every water utility that makes an application under Section 1 shall have a tariff on file with the commission containing a purchased water adjustment clause conforming to this regulation.]

Section 5. Procedure for Decrease in Purchased Water Costs. In the event a water utility receives a decrease in the rates charged it by its supplier, the purchased water adjustment shall be determined by the same procedure as set out in Section 3 of this regulation and the utility's rates to its customers reduced accordingly.

Section 6. Form of Application for Purchased Water Adjustment. Applications for purchased water adjustments shall be in substantially the following form, shall contain all information requested and shall be accompanied by all exhibits designated therein. Copies of forms for use in making such applications may be obtained from the commission upon request.

**APPLICATION FOR RATE ADJUSTMENT BEFORE THE  
PUBLIC SERVICE COMMISSION OF KENTUCKY  
For Purchased Water Adjustment  
Pursuant to 807 KAR 5:067**

Name of Utility \_\_\_\_\_  
Business Mailing Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Area Code \_\_\_\_\_ Number \_\_\_\_\_

NAME, TITLE, ADDRESS and TELEPHONE NUMBER of the person to whom correspondence or communications concerning this application should be directed:

NAME \_\_\_\_\_  
TITLE \_\_\_\_\_

ADDRESS \_\_\_\_\_  
TELEPHONE NUMBER \_\_\_\_\_  
Area Code \_\_\_\_\_ Number \_\_\_\_\_

Signature \_\_\_\_\_

**I. Basic Information**

NOTICE: (1) This application must be completed in its entirety and will not be considered until all required information has been filed with the Commission.

(2) The purchased water adjustment is designed for the purpose of providing a mechanism whereby a utility may recover the actual costs of water purchased only. No other increases in costs will be considered within this application nor is any change in rate design permissible under this regulation.

(3) Eight (8) copies of the application and exhibits must be filed. The application and any additional information that may be requested shall be addressed and/or submitted to: Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, Kentucky 40601.

1. Has this application been filed for purposes of an increase in rates, decrease in rates or a refund?

Increase \_\_\_\_\_ Decrease \_\_\_\_\_ Refund \_\_\_\_\_

2. What is the amount of the increase, decrease, or refund?  
Total revenue change \$ \_\_\_\_\_  
Purchased water adjustment \_\_\_\_\_ \$ per cubic foot or gallon as determined in Item 10(c).

3. (a) Names of all wholesale suppliers and the base rate and changed rate of each. In the event the water purchased is billed by the supplier on other than a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if needed.

Supplier	Base Rates	Changed Rates
_____	_____	_____
_____	_____	_____

(b) A copy of the wholesale supplier's tariffs, ordinances, or other documents establishing both the base supplier rate and the changed supplier rate are attached as Exhibit \_\_\_\_\_ to this application.

(c) A copy of the supplier's statement to the utility showing the effective date of the changed rate is attached as Exhibit \_\_\_\_\_ to this application.

4. (a) Has the utility provided appropriate notice to its customers by either a bill insert or by publication in accordance with the provisions of 807 KAR 5:067, Section 2(4).

Yes \_\_\_\_\_ No \_\_\_\_\_

(b) A copy of the utility's notice to its customers is attached as Exhibit \_\_\_\_\_ to this application.

5. Revised tariff sheet(s) showing the rates proposed to be charged by the utility to its

customers is attached as Exhibit \_\_\_\_\_ to this application.

Note: The revised tariff sheet(s) must show the rates proposed to be charged by the utility for each customer class in the form shown in Item 12. The issue date should be the date the application is filed with the commission. The effective date will be the date of the commission's order in this case. In the event the proposed tariff is correct and approved as filed, no further tariff forms will be required. The effective date, case number and order date will be completed by commission staff and a stamped copy of the approved tariff sheet will be returned to the utility for its files. Each sheet must be signed by the officer authorized to issue tariffs.

6. The 12-month period used to calculate the purchased water adjustment ends \_\_\_\_\_  
(Month and Year)  
This test period must end within ninety (90) days of the date this application is filed.

7. Water purchases. Where water is purchased from more than one (1) supplier, purchases from each supplier must be shown separately. Where water is purchased from a supplier through more than one (1) meter and bills are computed individually for each meter, purchases should also be shown separately for each meter. Attach additional sheets if necessary.

SUPPLIER'S NAME	TOTAL GALLONS PURCHASED		
	Meter No. 1	Meter No. 2	Meter No. 3
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL	_____	_____	_____

8. Water sales. Total gallons sold during 12-month test period \_\_\_\_\_

9. Maximum allowable gallons. The maximum allowable gallons upon which the purchased water adjustment may be based shall be determined in one of the following ways:

(a) Where a reasonable unaccounted-for water loss was expressly determined in the utility's last general rate case and actual unaccounted-for water loss exceeds the percent found reasonable, the water sales shall be divided by (100 percent minus the percent found reasonable) yielding the maximum allowable gallons to be entered in Item 10(a) or (b).

(b) Where no reasonable unaccounted-for water loss was expressly determined in the utility's last general rate case and the actual water loss exceeds 15 percent, the water sales shall be divided by 85 percent and the resulting gallons entered in Item 10(a) or (b).

(c) Where no reasonable water loss was expressly determined in the utility's last general rate case and the actual unaccounted-for water loss is less than 15 percent, the actual gallons of water purchased shall be entered in Item 10(a) or (b).

10. Allowable change in purchased water costs.

(a) Where supplier bills on a flat rate schedule.

$$\frac{\text{Allowable gallons}}{\text{changed rate}} \times \text{cost at changed rate} = \text{cost at changed rate}$$

$$\frac{\text{Allowable gallons}}{\text{base rate}} \times \text{cost at base rate} = \text{cost at base rate}$$

(b) Where supplier bills on a declining block rate schedule:

Changed Rates Usage Blocks		Rate	Cost
1st	gal. x 12 mo. =	gal. (12 x Min.) =	
Next	gal. x 12 mo. =	gal. x =	
Next	gal. x 12 mo. =	gal. x =	
Next	gal. x 12 mo. =	gal. x =	
Over	gal. x 12 mo. =	gal. x =	
Total allowable gal.			
		Cost at changed rate \$	

Base Rates Usage Blocks		Rate	Cost
1st	gal. x 12 mo. =	gal. (12 x Min.) =	
Next	gal. x 12 mo. =	gal. x =	
Next	gal. x 12 mo. =	gal. x =	
Next	gal. x 12 mo. =	gal. x =	
Over	gal. x 12 mo. =	gal. x =	
Total allowable gal.			
		Cost at changed rate \$	

Cost at changed rate \$ \_\_\_\_\_  
minus  
Cost at base rate \$ \_\_\_\_\_  
ALLOWABLE CHANGE \$ \_\_\_\_\_

"Where the utility receives purchased water through two (2) or more meters and the supplier computes bills individually for each meter, the costs should be calculated separately for each meter at the base rate and the changed rate, then combined to arrive at the total allowable change in costs. Attach additional sheets if necessary.

(c) Purchased water adjustment.

$$\frac{\text{Allowable Gallons}}{\text{Change Sold}} \times \text{cost per gal. or c.f.} = \text{cost per gal. or c.f.}$$

NOTE: In the event the utility receives a decrease in the rates from its wholesale supplier, the purchased water adjustment shall be calculated in the same manner as set out in Items 9 and 10, and its rates reduced accordingly.

11. Refund. In the event a refund is received from the supplier for amounts previously paid, the following tabulations will be made:

(a) Total refund received	\$ _____
(b) Total amount of water estimated to be sold during 2-month period beginning with the first day of the month following receipt of the refund	_____ M. Gal.

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(c) Refund factor unit of water sold (Item (a) divided by Item (b)) \_\_\_\_\_

(d) The refund factor may be adjusted in the final month to more accurately reflect the amount to be refunded.

## 12. Form for filing Rate Schedules

For \_\_\_\_\_  
(Community, Town or City)  
P.S.C. No. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. NO. \_\_\_\_\_

Name of Issuing Corp. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

## CLASSIFICATION OF SERVICE

RATE PER UNIT

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
ISSUED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
Name of Officer \_\_\_\_\_  
Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_

RICHARD D. HEMAN, JR., Chairman

ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at 11 a.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation will be held on June 25, 1986 at 9 a.m., EDT, in the Public Service Commission Hearing Room No. 1 on Schenkel Lane in Frankfort, Kentucky. Those interested in attending this hearing shall contact: Forest M. Skaggs, Secretary, Kentucky Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

## REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara Jones

(1) Type and number of entities affected: Privately-owned water utilities that purchase water, 70, potentially.

(a) Direct and indirect costs or savings to those affected: Shorter period savings - \$50,000 and Absorption test savings - \$100,000.

1. First year: Shorter period savings = \$100,000 and absorption test savings = \$200,000.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: Decreases accounting filing requirements and eliminates financial statements as filing requirements in response to industry comments.

(2) Effects on the promulgating administrative body: Decreases PSC review period and avoids information request.

(a) Direct and indirect costs or savings: Decreases PSC review period and avoids information request.

1. First year: Will free up time of staff person assigned to case.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: Simplified order and fewer information requests.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: No alternatives would pass through these purchased water costs on a more expeditious basis, except automatic pass through. Automatic pass through rejected to protect interests of ratepayer as well as utility.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

## Tiering:

Was tiering applied? No. Reduction of filing requirements and cost savings as discussed previously should be available to all utilities that purchase water, whatever their size. A distinction has been drawn, however, between privately-owned water utilities and water districts or associations based upon HB 810.

✓ PUBLIC PROTECTION AND REGULATION CABINET  
Department of Housing, Buildings  
and Construction  
(Proposed Amendment)

815 KAR 20:030. License application; qualifications for examination, examination requirements, expiration, renewal, revival or reinstatement of licenses (examination).

RELATES TO: KRS Chapter 318

PURSUANT TO: KRS 13.082, 318.010, 318.020, 318.040, 318.050, 318.054

NECESSITY AND FUNCTION: KRS 318.040 requires the Department to conduct examinations for master and journeyman plumber applicants. This regulation relates to those requirements and the fees required. It also relates to the time, place and methods of examinations. [KRS 318.050 was amended by the 1976 General Assembly to eliminate the fixed fees for such examinations as was shown in the previous act. The Department now has the authority to set such fees by regulation.]

Section 1. Applications for Examination for Master or Journeyman Plumber's Licenses. Applications for examination for master or journeyman plumber's licenses shall be submitted to the Department of Housing, Buildings and Construction on forms furnished by the department. Each application shall be properly

notarized and accompanied by a fee of \$100 if for a master plumber's license or twenty-five (25) dollars if for a journeyman plumber's license. A signed photograph of the applicant not less than two (2) inches square nor larger than four (4) inches square taken within two (2) years shall accompany each application. Application fees shall be submitted at least two (2) weeks prior to the date of examination and remitted by post office or express money order, bank draft or certified check payable to the Kentucky State Treasurer.

Section 2. Examinations for Master or Journeyman Plumber's Licenses. (1) Examination of applicants. Regular examination of applicants for master or journeyman plumber's licenses shall be conducted during the months of February, May, August and November of each year. Special examinations may be conducted at such times as the Department of Housing, Buildings and Construction may direct.

(2) Time and place of examination. Notice of the time and place of examination shall be given by the United States mail at least one (1) week prior to the date of examination to all persons having applications on file.

(3) Materials required for journeyman plumbers' examinations. Applicants for journeyman plumber's licenses shall furnish the materials required for the practical examination.

(4) The testing requirements shall be designed by the State Plumbing Examining Committee and shall be more complex for the master's examination.

Section 3. Renewals of Master and Journeyman Plumber's Licenses. (1) Renewal fees. The annual license renewal fee shall be \$150 for master plumbers and thirty (30) dollars for journeyman plumbers.

(2) Remittance of renewal fees. Renewal fees shall be remitted by post office or express money order, bank draft, or certified check payable to the Kentucky State Treasurer.

Section 4. Expiration, Renewal or Reinstatement of License. All licenses issued under KRS 318.040 shall expire on June 30 as prescribed in KRS 318.054.

Section 5. Examination Requirements for Master Plumber Applicants. Examination for applicants desiring to become licensed as a master plumber shall consist of:

(1) Answering ten (10) oral questions pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(2) Answering twenty-five (25) written questions giving essay type answers pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(3) Preparing a drawing from a sheet of instruction that describes the number and type of fixture on each floor. The applicant is to draw all stacks, wastes and vents and insert the proper pipe size required thereon. Oversized piping will be counted off the same as undersized.

(4) The passing grade for master plumbers shall be eighty (80) percent.

Section 6. Examination Requirements for Journeyman Plumber Applicants. Examination for applicants desiring to become licensed as a

journeyman plumber shall consist of:

(1) Answering ten (10) oral questions pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(2) Answering twenty-five (25) written questions giving essay type answers pertaining to basic principles of plumbing and the State Plumbing Law, Regulation and Code.

(3) Preparing a drawing from a sheet of instruction that describes the number and type of fixture on each floor. The applicant is to draw all stacks, wastes and vents and insert the proper pipe size required thereon. Oversized piping will be counted off the same as undersized.

(4) Completing a practical section in which the applicant will properly caulk a cast iron soil pipe spigot into a cast iron hub. Soldering six (6) one-half (1/2) inch copper solder connections and either making a quarter segment of a shower pan, from a detailed drawing, to dimension, that must fit into a template or wiping by hand a solder joint connecting three (3) inch lead to a brass caulking ferrule or a three (3) inch to two (2) inch lead wye branch.

(5) The passing grade for journeyman plumbers shall be seventy-five (75) percent.

Section 7. All Master Plumbers and Journeyman Plumbers shall notify the department of the name of their business and its address, their employer and his address and any time a change of employment is made.

CHARLES A. COTTON, Commissioner

ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 12, 1986

FILED WITH LRC: May 13, 1986 at 2 p.m.

PUBLIC HEARING SCHEDULED: A public hearing on this regulation will be held on June 23, 1986, at 10 a.m., in the office of the Department of Housing, Buildings and Construction, U.S. 127 South, Frankfort, Kentucky. Those interested in attending this hearing shall contact: Judith G. Walden, Office of General Counsel, Department of Housing, Buildings and Construction, The 127 Building, U.S. 127 South, Frankfort, Kentucky 40601. If no written requests to appear at the public hearing are received by June 18, 1986, the hearing may be cancelled.

#### REGULATORY IMPACT ANALYSIS

Agency Contact Person: Carl VanCleve

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs (note any effects upon competition): N/A

(b) Reporting and paperwork requirements: N/A

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: Minimal due to time required to complete regulatory impact analysis.

2. Continuing costs or savings: None

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: See Item 2(a) above.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons



why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication:

(a) Necessity of proposed regulation if in conflict: None

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments:

Tiering:

Was tiering applied? No. N/A

**CABINET FOR HUMAN RESOURCES**  
Department for Mental Health and Mental  
Retardation Services  
(Proposed Amendment)

902 KAR 12:080. Policies and procedures for mental health/mental retardation facilities.

RELATES TO: KRS Chapter 210

PURSUANT TO: KRS 210.010

NECESSITY AND FUNCTION: KRS 210.010 directs the Secretary of the Cabinet for Human Resources to prescribe regulations for the institutions under the control of the cabinet. The function of this regulation is to adopt policies and procedures for such institutions.

Section 1. Oakwood Policy Manual. The policies set forth in the February 15, 1986, edition of the "Oakwood Policy Manual" consisting of three (3) volumes relating to the operation of Oakwood ICF-MR Facility are hereby adopted by reference.

Section 2. Hazelwood Policy Manual. The policies and procedures set forth in the May 15, 1986 [October 15, 1985], edition of the "Hazelwood Policy Manual" consisting of two (2) volumes relating to the operation of Hazelwood ICF-MR Facility are hereby adopted by reference.

Section 3. Central State Hospital ICF-MR Policy Manual. The policies and procedures set forth in the September 1, 1985, edition of the "Central State Hospital ICF-MR Policy Manual" consisting of two (2) volumes relating to the operation of Central State Hospital ICF-MR Facility are hereby adopted by reference.

Section 4. Eastern State Hospital Policy Manual. The policies and procedures set forth in the April 15, 1986, edition of the "Eastern State Hospital Policy Manual" consisting of twenty-one (21) volumes relating to the operation of Eastern State Hospital Facility are hereby adopted by reference.

Section 5. Central State Hospital Policy Manual. The policies and procedures set forth in the May [April] 15, 1986, edition of the "Central State Hospital Policy Manual" consisting of nineteen (19) volumes relating to the operation of Central State Hospital Facility are hereby adopted by reference.

Section 6. Western State Hospital Policy Manual. The policies and procedures set forth in the April 15, 1986, edition of the "Western State Hospital Policy Manual" consisting of thirty-two (32) volumes relating to the operation of Western State Hospital Facility are hereby adopted by reference.

hereby adopted by reference.

Section 7. Glasgow ICF Policy Manual. The policies and procedures set forth in the September 1, 1985, edition of the "Glasgow ICF Policy Manual" consisting of twelve (12) volumes relating to the operation of Glasgow ICF Facility are hereby adopted by reference.

Section 8. Western State Hospital ICF Policy Manual. The policies and procedures set forth in the March 15, 1986, edition of the "Western State Hospital ICF Policy Manual" consisting of nine (9) volumes relating to the operation of Western State Hospital ICF Facility are hereby adopted by reference.

Section 9. Volta Policy Manual. The policies and procedures set forth in the September 1, 1985, edition of the "Volta Policy Manual" consisting of one (1) volume relating to the operation of Volta Facility are hereby adopted by reference.

Section 10. Kentucky Correctional Psychiatric Center Policy Manual. The policies and procedures set forth in the April 15, 1986, edition of the "Kentucky Correctional Psychiatric Center Policy Manual" consisting of thirteen (13) volumes relating to the operation of Kentucky Correctional Psychiatric Center Facility are hereby adopted by reference.

Section 11. Location of Manuals Referenced in This Regulation. A copy of each manual referenced in this regulation is on file in the Office of the Commissioner for Health Services, 275 East Main Street, Frankfort, Kentucky, and is open to public inspection.

Section 12. Summary of Amendments.

Section 2 is revised as follows:

HAZELWOOD POLICY MANUAL

87-3-2 #15

Volunteer Advisory Council

This is a newly established policy in order to develop a more extensive volunteer program and to involve and educate members of the community as to the mission and function of Hazelwood.

87-3-3 #19

Earthquake Emergency Procedure

This is a newly established policy in order to increase the facility's preparedness for an emergency condition involving earthquake.

87-6-4 #2

Work Activity Advisory Council

This is a newly established policy in order to increase the contacts the Work Activity Center has for obtaining work and to educate the community as to the mission and purpose of Hazelwood and its Work Activities Center.

request the approval of the School Facility Construction Commission to accumulate credit subject to the availability of funds, for its unused state allocation for a period not to exceed four (4) years. Districts which receive funds in excess of those required to complete the first project may apply those funds to the next priority project on their approved facility plan. In the event there is insufficient funds to complete the next project, those funds may accumulate as previously outlined. All fund credit accumulated in this manner shall be forfeited at any time that the local district fails to meet the eligibility criteria.

REE KARIKO, Chairman

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at noon.

PUBLIC HEARING SCHEDULED: A public hearing has been scheduled at 10 a.m. on June 23, 1986, in Room 207 Capitol Annex Building, Frankfort, Kentucky 40601. Persons interested in attending this hearing shall contact: Robert E. Spillman, Executive Director, School Facility Construction Commission, Finance and Administration Cabinet, 322 Capital Annex, Frankfort, Kentucky 40601.

#### REGULATORY IMPACT ANALYSIS

Agency Contact Person: Robert E. Spillman

(1) Type and number of entities affected: 2 state agencies and 180 local school districts.

(a) Direct and indirect costs or savings to those affected: N/A

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements: Reporting requirements will be limited to those districts that receive assistance.

(2) Effects on the promulgating administrative body: Expected to be positive because it establishes procedures for the conduct of its affairs and relationship with the school districts.

(a) Direct and indirect costs or savings: N/A

1. First year:

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs:

(b) Reporting and paperwork requirements:

(3) Assessment of anticipated effect on state and local revenues: Will provide assistance to local school districts to build facilities based upon need.

(4) Assessment of alternative methods: reasons why alternatives were rejected: Total local management was considered. The legality is questionable and does not give adequate state control.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments:

Tiering:

Was tiering applied? Yes

#### PUBLIC PROTECTION AND REGULATION CABINET Public Service Commission

807 KAR 5:068. Purchased water adjustment for water districts and water associations.

RELATES TO: KRS Chapter 278

PURSUANT TO: KRS 278.012, 278.015, 278.030(1), 278.040(3)

NECESSITY AND FUNCTION: KRS 278.030(1) provides that all rates charged by a water utility subject to the jurisdiction of the Public Service Commission shall be fair, just and reasonable. This regulation prescribes the requirements under which a water district or a water association may implement a purchased water adjustment designed to recover the actual costs of water purchased.

Section 1. Water Utility Base Rate. The supplier's base rate in effect immediately prior to the most recent increase shall be considered the base rate.

Section 2. Applications for Change in Base Rate. (1) For purposes of a purchased water adjustment, the supplier's rate as defined in Section 1 of this regulation shall be considered as the base rate for purchased water and any increase or decrease in the base rate shall be considered the changed rate.

(2) In the event there is an increase in the supplier's base rate, the water district or water association shall determine the increased cost of water purchased based on the twelve (12) month period ending within ninety (90) days immediately prior to the effective date of its rate adjustment to its customers. The cost of purchased water shall be calculated at the supplier's base rate and changed rate, as defined in Sections 1 and 2 of this regulation. The difference in costs shall then be divided by the actual number of cubic feet or gallons sold during the same twelve (12) month period, yielding the purchased water adjustment in cents per cubic foot or gallon unit. This adjustment amount shall be added to all the utility's rate schedules on a per unit basis regardless of the customer class.

(3) In the event there is a decrease in the supplier's rate, the purchased water adjustment shall be calculated in the same manner as set out in subsection (2) of this section and its rates reduced accordingly.

(4) In the event a water district or water association receives a refund from its supplier for amounts previously paid, the water district or water association shall immediately apply to the commission for authority to make adjustments on the amounts charged customer's bills under this regulation as follows:

(a) The total refund received by the utility shall be divided by the number of cubic feet or gallons of water the utility estimates it will sell to its customers during the two (2) month period beginning with the first day of the month following receipt of the refund, yielding the refund factor to be applied against each cubic foot or gallon of water sold thereafter.

(b) Effective with meter readings taken on and after the first day of the second month following receipt of the refund, the utility will reduce by the refund factor any purchased water adjustment that would otherwise be applicable during the period. The period of

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reduced purchased water adjustments shall be adjusted, if necessary, in order to most nearly approximate the total amount to be refunded. The water utility shall make full distribution of the refund within two (2) months.

(c) In the event a water utility receives a large or unusual refund, the utility may apply to the commission for a deviation from the procedure for distribution of refunds specified herein.

Section 3. Filings With the Commission. (1) Within twenty (20) days after any such purchased water rate adjustment, the water district or water association shall file with the commission its revised tariff sheets setting forth the adjusted rates and information concerning the water purchases and sales upon which the adjustment was based sufficient to determine the accurateness of the calculations and application of the purchased water adjustment to its rates. Such tariffs and information shall be in substantially the form set forth in subsection (2) of this section. Copies of these forms may be obtained from the commission upon request.

(2) Form of purchased water adjustment filing.

## PURCHASED WATER RATE ADJUSTMENT Pursuant to KRS 278.012 and 278.015

\_\_\_\_\_  
(Name of Utility)  
\_\_\_\_\_  
(Date)  
\_\_\_\_\_  
(Business Mailing Address)  
\_\_\_\_\_  
(Telephone Number)

1.(a) Names of all wholesale suppliers and the base rate and changed rate of each. In the event the water purchased is billed by the supplier on other than a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
(1) _____	_____	_____
(2) _____	_____	_____
(3) _____	_____	_____

(b) A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit \_\_\_\_\_.

2. Twelve-month Period Upon Which Purchased Water Adjustment is Based

From \_\_\_\_\_ through \_\_\_\_\_  
Month & Year Month & Year

3. Statement of Water Purchases (Where water is purchased from more than one (1) supplier, purchases from each supplier must be shown separately. Where water is purchased from a supplier through more than one (1) meter and bills are computed individually for each meter, purchases should also be shown separately for each meter.)

Supplier's Name	Gallons Purchased Meter No. 1	Gallons Purchased Meter No. 2
(1) _____	_____	_____
(2) _____	_____	_____
(3) _____	_____	_____
TOTAL	_____	_____

4. Total Sales for the 12-Months \_\_\_\_\_

5. Purchased Water Adjustment Factor \_\_\_\_\_  
per gallon or cubic foot.

NOTE: Revised tariff sheets must be attached showing rates to be charged by the utility and the effective date of such increased rates.

\_\_\_\_\_  
Signature of Utility Officer  
\_\_\_\_\_  
Title

Form for filing Rate Schedules

For \_\_\_\_\_  
Community, Town or City  
P.S.C. No. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. NO. \_\_\_\_\_  
Name of Issuing Corp. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

CLASSIFICATION OF SERVICE

RATE PER UNIT

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
ISSUED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
Name of Officer  
Issued by authority of an Order of the Public  
Service Commission of Kentucky in Case No. \_\_\_\_\_  
dated \_\_\_\_\_.

Section 4. Orders of the Commission. (1) Within thirty (30) days after the documents required by Section 3 of this regulation are filed, the commission shall enter its order either approving the rates or establishing revised rates.

(2) If the rates contained in the tariff are correct and approved as filed, no further tariff forms will be required to be filed and a stamped copy of the approved tariff sheet(s) shall be returned to the utility for its files. If the rates are incorrect and corrected rates are established by the commission, within thirty (30) days of the date of the commission's order, the utility shall file revised tariff sheet(s) setting out the rates so ordered.

RICHARD D. HEMAN, JR., Chairman  
ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 15, 1986

FILED WITH LRC: May 15, 1986 at 11 a.m.

**PUBLIC HEARING SCHEDULED:** A public hearing on this regulation will be held on June 25, 1986 at 9 a.m., EDT, in the Public Service Commission Hearing Room No. 1 on Schenkel Lane in Frankfort, Kentucky. Those interested in attending this hearing shall contact: Forest M. Skaggs, Secretary, Kentucky Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

#### REGULATORY IMPACT ANALYSIS

Agency Contact Person: Barbara Jones

(1) Type and number of entities affected: Water districts and water associations. 39, potentially.

(a) Direct and indirect costs or savings to those affected: Immediate cost recovery possible. No absorption test. Therefore, significant savings to utility.

1. First year: Shorter period savings = \$100,000 and absorption test savings = \$100,000.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs (note any effects upon competition): None

(b) Reporting and paperwork requirements: Minimal. Compare former filing requirements in 807 KAR 5:067 with form of regulation. No financial statements.

(2) Effects on the promulgating administrative body: Eliminates PSC review for other than mathematical calculation.

(a) Direct and indirect costs or savings: Decreases PSC review period and avoids information request.

1. First year: Will free up time of staff person assigned to case.

2. Continuing costs or savings: Same

3. Additional factors increasing or decreasing costs: None

(b) Reporting and paperwork requirements: Virtually eliminates. Bare informational filing only.

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: Given language of HB 810, no other alternatives were deemed appropriate.

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: None

(a) Necessity of proposed regulation if in conflict:

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions:

(6) Any additional information or comments: None

**Tiering:**

Was tiering applied? No. Reduction of filing requirements and cost savings as discussed previously should be available to all utilities that purchase water, whatever their size. A distinction has been drawn, however, between privately-owned water utilities and water districts or associations based upon HB 810.

#### PUBLIC PROTECTION AND REGULATION CABINET Department of Housing, Buildings and Construction

815 KAR 20:001. Sections Declared Independent.

RELATES TO: KRS Chapter 318

PURSUANT TO: KRS 318.130

**NECESSITY AND FUNCTION:** The department is directed by KRS 318.130 through the State Plumbing Code Committee to adopt and put into effect a State Plumbing Code. This regulation relates to the sovereignty of each section as it relates to other sections of the code.

Section 1. Sections Declared Independent. Each section of this code and every part of each section is hereby declared to be an independent section and part of section and the holding of any section or part of section to be void and ineffective for any cause shall not be deemed to effect any other section or part of sections.

CHARLES A. COTTON, Commissioner

ROBERT M. DAVIS, Secretary

APPROVED BY AGENCY: May 12, 1986

FILED WITH LRC: May 13, 1986 at 2 p.m.

**PUBLIC HEARING SCHEDULED:** A public hearing on this regulation will be held on June 23, 1986 at 10 a.m., in the office of the Department of Housing, Buildings, and Construction, U.S. 127 South, Frankfort, Kentucky. Those interested in attending this hearing shall contact: Judith G. Walden, Office of General Counsel, Department of Housing, Buildings, and Construction, The 127 Building, U.S. 127 South, Frankfort, Kentucky 40601. If no written requests to appear at the public hearing are received by June 18, 1986, the hearing may be cancelled.

#### REGULATORY IMPACT ANALYSIS

Agency Contact Person: Carl VanCleve

(1) Type and number of entities affected:

(a) Direct and indirect costs or savings to those affected:

1. First year: None

2. Continuing costs or savings:

3. Additional factors increasing or decreasing costs (note any effects upon competition):

(b) Reporting and paperwork requirements:

(2) Effects on the promulgating administrative body:

(a) Direct and indirect costs or savings:

1. First year: Minimal increased cost due to time required to complete regulatory impact analysis.

2. Continuing costs or savings: N/A

3. Additional factors increasing or decreasing costs: N/A

(b) Reporting and paperwork requirements: N/A

(3) Assessment of anticipated effect on state and local revenues: None

(4) Assessment of alternative methods; reasons why alternatives were rejected: N/A

(5) Identify any statute, administrative regulation or government policy which may be in conflict, overlapping, or duplication: N/A

(a) Necessity of proposed regulation if in conflict: N/A

(b) If in conflict, was effort made to harmonize the proposed administrative regulation with conflicting provisions: N/A

(6) Any additional information or comments: See Necessity and Function.

Tiering: Was tiering applied? No. N/A